

LEGAL TENDER AND FRACTIONAL SILVER COINAGE

*Exchange of notes at Washington May 28 and June 6, 1931, modifying agreement of June 20, 1904, as modified
Entered into force June 6, 1931*

Department of State files

The Secretary of State to the Panamanian Minister

MAY 28, 1931

SIR:

I have the honor to refer to the Legation's Aide-Memoire of April 8, 1931, and its Note Verbale of May 4, 1931, regarding the desire of the Government of Panama to coin 200,000 silver one-balboa pieces under the terms of the Monetary Agreement of June 20, 1904,¹ between the United States and the Republic of Panama, as modified by the exchange of Notes between the Department and the Legation, dated respectively March 26 and April 2, 1930.²

The present Monetary Agreement and its amendments cover the coinage of fractional silver currency only. This Government will, however, agree to the modification of the Agreement of 1904 and 1930 to include the coinage of silver pieces of the denomination of one balboa to a total value of 200,000 balboas as requested by you, provided the terms of the agreement are complied with in all other particulars. Upon the receipt of a Note confirming this agreement on behalf of the Government of Panama, the Government of the United States would consider the Monetary Agreement of 1904 and 1930 as being appropriately modified and would be prepared to undertake the desired coinage at the Philadelphia mint.

The Treasury Department informs this Department that the cost of the coinage of 200,000 balboas would be at the rate of \$11.00 per thousand pieces. This coinage, using the dollar as a basis of calculation, would require 154,687.50 fine ounces of silver. The cost mentioned includes working dies and copper for alloy and is based on a comparatively small number of pieces. The cost of containers for shipment would be in addition to the coinage cost.

¹ *Ante*, p. 681.

² *Ante*, p. 731.

The mint at Philadelphia has no dies which could be used for coining the balboas, but, if the models used for the coinage of the smaller pieces of Panamanian currency could be utilized by making a change in lettering and figures, the master dies could be made for \$200.00 a pair.

The original bill of lading covering a shipment of sixteen cases of old Panamanian silver coins consigned to the United States Mint at Philadelphia, left by you at the Department, has been forwarded to the Superintendent of the Mint at Philadelphia and that officer has been directed to hold the coins intact until further instructed.

Accept, Sir, the renewed assurances of my highest consideration.

For the Secretary of State:

FRANCIS WHITE

Señor Dr. HARMODIO ARIAS,
Minister of Panama.

The Panamanian Minister to the Secretary of State

[TRANSLATION]

LEGATION OF PANAMA
WASHINGTON

D-167

JUNE 6, 1931

MY SECRETARY:

I have the honor to refer to the kind communication of Your Excellency, dated May 28 last, concerning the desire of the Government of Panama to coin silver pieces of one Balboa to the sum of 200,000 balboas, and to the request made by the latter that Your Excellency be good enough to use your good offices to the end that such coinage be executed in the Philadelphia Mint.

Your Excellency is of the opinion that for this purpose it is necessary to so amend the monetary conventions of 1904 and 1930 that they shall include the desired coinage of silver pieces of one Balboa, and to that effect is kind enough to advise me that on receipt of a note showing that the Government of Panama approves this proposal, "the Government of the United States will consider the monetary conventions of 1904 and 1930 as duly amended and will proceed to execute the desired coinage in the Philadelphia Mint."

In reply, I have the honor to advise Your Excellency that although the Government of Panama believes that the coinage now proposed is in accordance with the terms of the existing monetary conventions, my Government, nevertheless, gladly approves your proposal that the said monetary conventions shall expressly include the proposed coinage and thanks Your Excellency for your good offices in having the coinage executed in the

Philadelphia Mint. In making this statement I take pleasure also in assuring you that my Government will be glad to carry out the other provisions of the monetary conventions of 1904 and 1930.

I also have the honor to advise Your Excellency that my Government is taking the necessary steps to have the Philadelphia Mint supplied with the materials required for the execution of the desired coinage.

In the note of this Legation, No. D-166, of even date, I have taken the liberty to advise Your Excellency of the proposals of my Government with regard to the sixteen boxes of old Panamanian coins to which Your Excellency refers at the close of the note to which this is a reply.

I take advantage of this occasion, etc. etc.

HARMODIO ARIAS

To His Excellency

HENRY L. STIMSON,

Secretary of State of

The United States of America,

Washington, D.C.